



Press release 4 October 2024

TF Bank AB (publ) enters into share purchase agreement regarding transfer of a majority stake in the subsidiary Rediem Capital AB

TF Bank AB (publ) ("TF Bank" or the "Bank") has today entered into a share purchase agreement with Alektum Holding AB (publ) ("Alektum Holding") and Erik Selin Fastigheter Aktiebolag ("Erik Selin Fastigheter") regarding a transfer of a majority stake in the wholly owned subsidiary Rediem Capital AB ("Rediem"), a credit market company (Sw. *kreditmarknadsbolag*) focused on the acquisition of non-performing exposures ("NPL portfolios"). The purchase price for 80.1 per cent of the shares amounts to approximately SEK 472 million (the "Share Transfer"). The Share Transfer is, according to the share purchase agreement, subject to regulatory approvals and the fulfilment of certain financial conditions.

"This transaction allows TF Bank to focus on its core business as a fast-growing European credit and payments platform with even greater capital efficiency. It also aligns with the updated capital adequacy rules, designed to separate non-performing loans from banks, allowing banks to focus on new lending to support the real economy", says Joakim Jansson CEO of TF Bank.

"We are very pleased to have reached an agreement with TF Bank regarding the acquisition of Rediem Capital. The deal represents an important step forward for Alektum Holding and gives us the opportunity to both optimise and future-proof our business. With SDR status within reach, we are convinced that there is great potential to strengthen our position in the NPL segment while building stronger relationships with both existing and new customers", says Linus Singelman, CEO of Alektum Holding.

Background

As announced by press release on 2 September 2024, TF Bank entered into a letter of intent with Alektum Holding, Erik Selin Fastigheter and G4 Capital AB ("**G4**") regarding, *inter alia*, the Share Transfer of Rediem (the "**Letter of Intent**").

Prior to the Letter of Intent, on 1 September 2024, TF Bank completed a restructuring and established the wholly owned subsidiary Rediem as a credit market company focused on the acquisition of NPL portfolios. In connection therewith, the Bank also carried out internal transfers of NPL portfolios from TF Bank to Rediem, which now holds NPL portfolios with a book value of approximately SEK 1,300 million.

Rediem is a credit market company and the ambition is that Rediem, as of 1 January 2025, will be able to obtain the status of a so called specialized debt restructured ("**SDR**") and thereafter be able to benefit from the capital adequacy advantages resulting therefrom. One step in qualifying Rediem as an SDR is to separate Rediem from TF Bank's business.

The Share Transfer

TF Bank has today entered into a share purchase agreement with Alektum Holding and Erik Selin Fastigheter (the "**Buyers**") regarding the Share Transfer of Rediem (the "**Share Purchase Agreement**"). The Share Transfer is the first step in separating Rediem from TF Bank's business.

In accordance with the Share Purchase Agreement, TF Bank shall transfer 80.1 per cent of Rediem to Alektum Holding and Erik Selin Fastigheter, for a purchase price of approximately SEK 472 million (based on equity in Rediem of approximately SEK 450 million), of which approximately SEK 106 million will be paid in cash and the remaining approximately SEK 366 million will be paid by TF Bank issuing a promissory note. The promissory note shall be repaid upon completion of the Transactions (as defined below). Following closing, which is expected to occur on 31 December 2024, the shares in Rediem shall be held by Alektum Holding (49.9 per cent), Erik Selin Fastigheter (30.2 per cent) and TF Bank (19.9 per cent).

The Share Purchase Agreement is conditional upon the Swedish Financial Supervisory Authority (Sw. finansinspektionen) approving the Buyers as new owners of Rediem (so-called ownership and control assessments) and all of Alektum Group AB's lenders under its revolving credit facility agreeing in writing to the Transactions.

The Transactions after the Transfer

As announced in the press release on 2 September 2024, the parties also intend, pursuant to the Letter of Intent, to carry out a series of transactions (the "**Transactions**"), which will result in TF Bank, Erik Selin Fastigheter and G4 jointly owning shares in Alektum Holding. This means that Erik Selin Fastigheter and TF Bank intend to sell their respective shares in Rediem to Alektum Holding, whereby TF Bank will receive a minority stake in Alektum Holding in exchange. Alektum Holding shall thereby hold all shares in Rediem. TF Bank's holding of capital and votes in Alektum Holding following the completion of the Transactions is estimated to amount to less than 10 per cent.

During the first half of 2025, Alektum Holding intends to transfer all NPL portfolios held by Alektum Holding through direct and/or indirect transfers to Rediem. The total value of the NPL portfolios intended to be transferred from Alektum Holding is currently estimated to amount to a book value of approximately SEK 6,000 million. After these transfers, Rediem's total NPL portfolio is estimated to amount to approximately SEK 7,500 million.

The Transactions and the Share Purchase Agreement are subject to the fulfilment of certain legal and financial conditions, and the ambition is for the Transactions to be completed in Q1 2025.

Advisors

Lenner & Partners Corporate Finance AB has acted as financial advisor and Gernandt & Danielsson Advokatbyrå KB has acted as legal advisor in the conclusion of the Share Purchase Agreement.

For further information, please contact:

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The information was provided for publication on 4 October 2024, at 20.15 CET.

TF Bank in brief

TF Bank was founded 1987 and is a digital bank offering consumer banking services and e-commerce solutions through a proprietary IT platform with a high degree of automation. Deposit and lending activities are conducted in Sweden, Finland, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Germany, Austria, Spain, Ireland and the Netherlands through subsidiary, branch or cross-border banking with the support of the Swedish banking license. The operations are divided into three segments: Credit Cards, Ecommerce Solutions and Consumer Lending. TF Bank is listed on Nasdaq Stockholm.